

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
Petition of WorldCom, Inc. Pursuant)	
to Section 252(e)(5) of the)	
Communications Act for Expedited)	
Preemption of the Jurisdiction of the)	CC Docket No. 00-218
Virginia State Corporation Commission)	
Regarding Interconnection Disputes)	
with Verizon Virginia Inc., and for)	
Expedited Arbitration)	
)	
In the Matter of)	CC Docket No. 00-249
Petition of Cox Virginia Telecom, Inc., etc)	
)	
In the Matter of)	
Petition of AT&T Communications of)	
Virginia Inc., etc)	CC Docket No. 00-249
)	

**VERIZON VA'S DIRECT TESTIMONY ON NON-MEDIATION ISSUES
(CATEGORIES I AND III THROUGH VII)**

PRICING TERMS AND CONDITIONS

- MICHAEL A. DALY
- DONNA FINNEGAN
- STEVEN J. PITTERLE

JULY 31, 2001

Table of Contents

	<u>Page</u>
I. WITNESS BACKGROUND	1
A. MICHAEL A. DALY	1
B. DONNA FINNEGAN	2
C. STEVEN J. PITTERLE.....	3
II. PURPOSE AND OVERVIEW OF TESTIMONY	4
III. CLEC COMMITMENT TO JUST AND REASONABLE RATES (Issue I-9).....	6
IV. CALL DETAIL INFORMATION (Issues VII-12, VII-14)	8

I. WITNESS BACKGROUND

2A. MICHAEL A. DALY

3 Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

**4 A. My name is Michael A. Daly and my business address is 2107 Wilson Boulevard,
5 11th Floor, Arlington, Virginia.**

6

7 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

**8 A. I am employed by Verizon Services Group ("Verizon"), Wholesale Markets,
9 which is the Verizon business unit responsible for serving resellers and other
10 competitive local exchange carriers ("CLECs"). I am a director in the
11 Interconnection Services group responsible for contract negotiations. I assumed
12 my current position in February, 1997.**

13

**14 Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND
15 EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.**

**16 A. My educational background and experience in the telecommunications industry is
17 described in detail at Exhibit PTC-1. As highlighted therein, during my twenty-
18 two year career with Verizon and its predecessor companies, I have held a variety
19 of positions with increasing levels of responsibility in Sales, Marketing, Product
20 Management and Interconnection Services.**

21 Q. PLEASE STATE IN GENERAL TERMS YOUR RESPONSIBILITIES.

**22 A. My principal responsibility is to direct a team of negotiators representing Verizon
23 in the course of interconnection negotiations with CLECs pursuant to Sections**

1 251 and 252 of the Telecommunications Act of 1996. I have specific
2 accountability for negotiations with AT&T. I also oversee the interconnection
3 negotiations with Commercial Mobile Radio Service ("CMRS") carriers as well
4 as manage a team of people responsible for the processing of requests for
5 negotiations.

6
7B. DONNA FINNEGAN

8 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

9 A. My name is Donna Finnegan and my business address is 2107 Wilson Boulevard,
10 11th Floor, Arlington, Virginia.

11
12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am employed as a Senior Specialist by Verizon Services Corp. ("Verizon"),
14 Wholesale Local Services Product Development. I assumed my current position
15 in December, 1997.

16
17 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
18 **EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.**

19 A. My educational background and experience in the telecommunications industry is
20 described in detail at Exhibit PTC-1. As highlighted therein, during my thirty-
21 year career with Verizon and its predecessor companies, I have held a variety of
22 positions with increasing levels of responsibility in wholesale markets, billing,
23 and accounting.

1 **Q. PLEASE STATE IN GENERAL TERMS YOUR RESPONSIBILITIES.**

2 A. My principal responsibility is as Product Manager of the Daily Usage File (DUF)
3 for Local Service Resale and Unbundling, providing subject matter expertise on
4 all CLEC usage file outputs and serving as a representative on industry standards
5 committees.

6

7C. STEVEN J. PITTERLE

8 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

9 A. My name is Steven J. Pitterle and my business address is 600 Hidden Ridge
10 Drive, Irving, Texas, 75038.

11

12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am employed by Verizon Services Group ("Verizon") as Director --
14 Negotiations.

15

16 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
17 **EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.**

18 A. My educational background and experience in the telecommunications industry is
19 described in detail at Exhibit PTC-1. As highlighted therein, during my thirty-one
20 year career with Verizon and its predecessor companies, I have held a variety of
21 position with increasing levels of responsibility in Engineering, Service,
22 Regulatory Affairs, intraLATA Compensation Administrator, Interexchange
23 Account Manager for the former GTE North, and Wisconsin Director-External
24 Affairs.

1 **Q. PLEASE STATE IN GENERAL TERMS YOUR RESPONSIBILITIES.**

2 A. My principal responsibility is to oversee Verizon's competitive local exchange
3 carrier ("CLEC") interconnection negotiation activities, as specified by Sections
4 251 and 252 of the Telecommunications Act of 1996, for defined areas within
5 Verizon. I am also involved in the development of policies pertaining to
6 interconnection matters.

7

8 **II. PURPOSE AND OVERVIEW OF TESTIMONY**

9 **Q. WHAT IS THE PURPOSE OF THE PRICING TERMS AND**
10 **CONDITIONS PANEL TESTIMONY IN THIS PROCEEDING?**

11 A. The purpose of this testimony is to explain the contract provisions Verizon VA
12 proposes with respect to the Pricing Terms and Conditions issues raised by
13 Petitioners or Verizon VA in this proceeding, to support Verizon VA's position
14 with respect to the Pricing Terms and Conditions issues, and to respond to the
15 contract language and positions of the Petitioners on the Pricing Terms and
16 Conditions issues.

17

18 **Q. CAN YOU PROVIDE AN OVERVIEW OF THE PRICING TERMS AND**
19 **CONDITIONS ISSUES NOT BEING ADDRESSED IN MEDIATION?**

20 A. First, there is an issue common to WorldCom, Cox, and AT&T (Issue No. I-9)
21 regarding prices for Petitioners' services. That is, Verizon VA proposes for each
22 of the Petitioners a contract provision ensuring that Petitioners charge Verizon
23 VA just and reasonable rates for the services Petitioners provide. Verizon VA is
24 required by law to interconnect with Petitioners and, to do so, must obtain some

1 services from Petitioners. Although Petitioners are in complete control over
2 access to their own networks, each opposes inclusion of a Verizon VA contract
3 provision that ensures Verizon VA will not be placed at a competitive
4 disadvantage or forced to pay unreasonable amounts for services it must obtain
5 from them.

6
7 Second, there are two issues between AT&T and Verizon VA regarding the extent
8 to which the parties' interconnection agreement should address detailed industry
9 billing information rather than refer to the appropriate industry billing forum
10 (Issues VII-12 and VII-14). The interconnection agreement should not address
11 industry standard billing information in any great detail. Rather, the Parties
12 should commit to implementing guidelines set by the Ordering and Billing Forum
13 ("OBF"). AT&T proposes too much detail in its proposed agreement, restricting
14 the Parties' ability to comply with the OBF guidelines adopted by the industry.
15 Verizon VA proposes that the Parties abide by the guidelines set by the OBF by
16 referring to those standard guidelines in the interconnection agreement.

17
18 There were other pricing terms and conditions issues raised in this proceeding,
19 which are currently being addressed in mediation. If necessary, this panel will
20 address those issues at a later date.

1 **III. CLEC COMMITMENT TO JUST AND REASONABLE RATES (ISSUE I-9)**

2 **Q. WHAT DOES VERIZON VA PROPOSE TO ENSURE THAT THE**
3 **PETITIONERS COMMIT TO JUST AND REASONABLE PRICES?**

4 A. For each Petitioner, Verizon VA proposes that their rates for transport and power
5 and space do not exceed the rates that Verizon VA charges them for the same
6 services. Alternatively, Petitioners can charge higher rates if Petitioners prove, in
7 an appropriate proceeding, that their costs are higher, and that their rates therefore
8 should be greater than the rates that Verizon VA charges for the same services.

9
10 Verizon VA's proposed contract language for each of the Petitioners is set forth
11 as follows:

12 **For WorldCom (Exhibit C-1 to Verizon VA's Answer):** Pricing
13 Attachment, § 3 (Notwithstanding any other provision of this Agreement,
14 the Charges that **CLEC bills Verizon for **CLEC's Services shall not
15 exceed the Charges for Verizon's comparable Services, except to the extent
16 the **CLEC has demonstrated to Verizon, or, at Verizon's request, to the
17 Commission or the FCC, that **CLEC's cost to provide such **CLEC
18 Services to Verizon exceeds the Charges for Verizon's comparable
19 Services);

20 **For Cox (Exhibit C-2 to Verizon VA's Answer):** §20.3 (. . . provided,
21 further that Cox may not charge Verizon a rate higher than the Verizon
22 rates and charges for the same services, facilities and arrangements) and
23 Exhibit A, Part B §§ IV and X (Available at Cox's tariffed or otherwise
24 generally available rates *not to exceed Verizon's rates for equivalent*
25 *services available to Cox, unless Cox cost justifies a higher rate*), to
26 Verizon's proposed interconnection agreement with Cox.

27 **For AT&T (Exhibit C-3 to Verizon VA's Answer):** §20.3
28 (Notwithstanding any other provision of this Agreement, AT&T may not
29 charge Verizon a rate higher than the Verizon rates and charges for the
30 comparable services, facilities and arrangements, except if and, to the
31 extent that, AT&T has demonstrated to Verizon's (or the Commission's or
32 FCC's) satisfaction, that AT&T's cost to provide such AT&T services to
33 Verizon exceeds the rates and charges for Verizon's comparable services

1 (and the Commission or the FCC, as the case may be, has issued an
2 unstayed order directing that Verizon pay the higher rate or charge).

3
4 **Q. WHY DOES VERIZON VA PROPOSE THAT THE PETITIONERS**
5 **COMMIT TO JUST AND REASONABLE RATES?**

6 **A.** Verizon VA proposes that the Petitioners commit to just and reasonable rates
7 because, under Petitioners' proposed contract, Verizon VA effectively has no
8 choice but to purchase services from Petitioners. By law, Verizon VA is required
9 to interconnect with Petitioners, who are in complete control over access to their
10 respective networks. Currently, Verizon VA can access Petitioners' networks in
11 one of three ways

- 12 • Verizon VA can collocate at Petitioners' facilities and purchase power and
13 space from Petitioners;
- 14 • Verizon VA can purchase transport from a third party who Petitioners
15 have permitted to interconnect at Petitioners' premises; or
- 16 • Verizon VA can purchase transport from Petitioners.

17
18 If a third party is interconnected at Petitioners' facilities, then Verizon VA should
19 be given the same right and at no less favorable terms and conditions. If that
20 option is not available, then Verizon VA is forced to purchase power and space or
21 transport from Petitioners. Thus, Verizon VA has limited choices and must rely
22 on Petitioners to purchase these services. In practical effect, Verizon VA is a
23 captive customer. The Petitioners are the source of supply for Verizon VA to
24 purchase interconnection with them, and it cannot "shop around" for a better deal.

1 Fairness dictates that, as a captive customer, Verizon VA obtain fairly priced
2 access to Petitioners' respective networks. Accordingly, the Parties' respective
3 interconnection agreements should contain a provision ensuring that Petitioners'
4 rates are limited to the rates Verizon VA is allowed to charge them for the same
5 service, unless Petitioners prove that those rates would not permit them to recover
6 their legitimate costs, and their rates should therefore be higher.

7
8 **IV. CALL DETAIL INFORMATION (ISSUES VII-12, VII-14)**

9
10 **Q. WHAT IS CALL DETAIL INFORMATION?**

11 A. Call Detail Information includes the following categories of information, provided
12 that Verizon VA currently records such data in the ordinary course of its business:
13 (i) completed calls, including 8YY calls and alternately-billed calls; (ii) calls to
14 directory assistance; and (iii) calls to and completed by Operator Services where
15 Verizon VA provides such service to an AT&T Customer. Call Detail
16 Information facilitates the Parties' ability to bill their own customers, each other,
17 or third parties for traffic exchanged.

18
19 **Q. TO WHAT EXTENT HAVE THE PARTIES REACHED AGREEMENT**
20 **REGARDING THE EXCHANGE OF CALL DETAIL INFORMATION?**

21 A. There are two general sections of the contract in which Verizon VA and AT&T
22 have reached agreement on the exchange of "Call Detail" in a way that
23 adequately and appropriately addresses the Parties' obligations to exchange call
24 detail information. First, in § 5.8 (Exhibit C-3 to Verizon VA's Answer), which

1 is contained in section 5 addressing "transmission and routing of telephone
2 exchange service traffic pursuant to section 251(c)(2) and Call Detail," the Parties
3 have agreed:

- 4 • That Verizon VA will provide Call Detail Information when
5 Verizon VA currently records such data in the ordinary course
6 of its business (§ 5.8.1);
- 7 • That Call Detail Information shall be transmitted in Exchange
8 Message Interface ("EMI") format generally on a daily basis (§
9 5.8.2); and
- 10 • That each party will provide the other with EMI records
11 formatted in accordance with industry standard guidelines
12 adopted by and contained in the OBF's EMI, Multiple
13 Exchange Carrier Access Billing ("MECAB") and Multiple
14 Exchange Carriers Ordering and Design ("MECOD")
15 documents (§ 5.8.3).

16 Second, in § 6.3.7, which is contained in section 6 addressing "transmission and
17 routing of exchange access traffic pursuant to § 251(c)(2)," the Parties have
18 agreed:

- 19 • That each Party will provide the other with (i) the billing name, billing
20 address, and CIC of the IXC, and (ii) identification of the IXC's serving
21 wire center to comply with Meet Point Billing ("MPB") notification
22 process as outlined in the MECAB document.

23 Notwithstanding the existence of, the contract's incorporation of, and the Parties
24 participation in OBF guidelines, AT&T proposes that the Parties commit to
25 providing greater detail in the interconnection agreement regarding their exchange
26 of call detail for billing purposes in a manner that may become inconsistent with
27 OBF guidelines or obsolete.

28
29 **Q. WHAT DOES AT&T PROPOSE?**

1 A. As an initial matter, with respect to the provision in the *telephone exchange*
2 *service traffic* section (§ 5), the Panel refers to disputed §§ 5.8.4 through 5.8.7 as
3 contained in both AT&T's (Exhibit B to AT&T's Petition) and Verizon VA's
4 (Exhibit C-3 to Verizon VA's Answer) proposed interconnection agreements
5 rather than the Joint Decision Point List ("JDPL"). The contract language set
6 forth by AT&T in its JDPL entry for Issue VII-12 varies from its original filing in
7 that it (i) omits § 5.8.4, (ii) mis-numbers §§ 5.8.5 through 5.8.7, (iii) mistakenly
8 includes § 5.8.8, (iv) and refers to "Connectivity Billing records" rather than
9 "billing records." As reflected in the Parties' proposed interconnection
10 agreements, in disputed §§ 5.8.4 through 5.8.7, AT&T attempts to require:

- 11 • Verizon VA to provide AT&T with "valid lists and ongoing
12 updates" of all carrier identification codes ("CICs") and associated
13 billing information for each Verizon VA tandem (§ 5.8.4);
- 14 • Each Party to provide the other with a CIC on each EMI record
15 transmitted to the other Party (§ 5.8.5);
- 16 • Each Party to assist a local exchange carrier, CLEC or IXC in
17 obtaining a CIC and to provide AT&T with a pseudo-CIC until a
18 CIC is obtained (§§ 5.8.6, 5.8.7); and
- 19 • Each Party to obtain reimbursement from the local exchange
20 carrier, CLEC, or IXC for the respective charges from the
21 appropriate carrier (§§ 5.8.6, 5.8.7).

22 With respect to the provision in the *exchange access traffic* section (§ 6), the
23 Panel again refers to disputed § 6.3.7 as contained in both AT&T's (Exhibit B to
24 AT&T's Petition) and Verizon VA's (Exhibit C-3 to Verizon VA's Answer)
25 proposed interconnection agreements rather than the Joint Decision Point List
26 ("JDPL"). The contract language set forth by AT&T in its JDPL entry for Issue
27 VII-14 varies from its original filing in that it omits the disputed language in §

1 6.3.7. As reflected in the Parties' proposed interconnection agreements, in
2 disputed § 6.3.7, AT&T attempts to require:

- 3 • A Party that does not initially record sufficient bill detail for any
4 IXC to assist the other Party in resolving the billing matter by
5 providing as much billing detail as is available to the other, and by
6 participating in any studies or discussions required to obtain
7 supporting detail.

8
9 **Q. WHY DOES VERIZON VA OPPOSE INCLUSION OF THE**
10 **ADDITIONAL DETAIL AT&T PROPOSES?**

11 A. Verizon VA generally opposes including additional detail because an industry-
12 wide forum exists to address billing issues in a uniform fashion. Verizon VA
13 must exchange call detail with a great number of telecommunications carriers
14 above and beyond AT&T, and it is critical that Verizon VA can rely on a uniform,
15 industry forum that ensures carriers exchanging information can process,
16 exchange, and read the same records. The exchange of call detail for billing
17 purposes is best addressed in detail through the OBF, and not with varying detail
18 in multiple and separate interconnection agreements. Although Verizon VA may
19 not currently oppose a particular detail -- e.g., the exchange of CICs -- a provision
20 requiring this exchange of CIC (i) is covered by the Parties' agreement to provide
21 the other with records formatted in accordance with industry standard guidelines
22 adopted by and contained in the OBF's EMI, MECAB and MECOD documents
23 and (ii) would become outdated and obsolete if the industry guidelines move
24 away from the use of CICs. The point is that Verizon VA commits to providing
25 EMI records in accordance with industry standards. If those standards evolve, so
26 will Verizon VA's practice for all carriers -- not just AT&T. If those standards

1 are abandoned, Verizon VA should not be locked into an outdated practice for one
2 particular carrier. AT&T's proposed inclusion of detail beyond a commitment to
3 providing EMI records in accordance with industry standards makes the contract
4 inflexible. It further imposes an undue burden on Verizon VA to go above and
5 beyond the established industry processes to keep its practices current -- that is,
6 Verizon VA would have to conduct a review of its interconnection agreements
7 and follow up with a process to amend the agreement should industry practice
8 evolve.

9
10 The Commission should support including only the agreed upon § 5.8.3, referring
11 to industry standards for billing, rather than supporting AT&T's unnecessary and
12 more detailed language in §§ 5.8.4 – 5.8.7. These sections conflict with § 5.8.3
13 by placing restrictions on the very billing practices supported by the
14 telecommunications industry, including AT&T, at the OBF. Rather than
15 duplicate the efforts and purposes of the OBF, Verizon VA proposes that the
16 Parties' interconnection agreement reflect the OBF EMI guidelines - as indicated
17 in § 5.8.3. The contract language should reflect the fact that the OBF, and not this
18 proceeding, is the best forum to address these matters. A broad reference to the
19 OBF sweeps in not only the industry billing changes that Verizon VA and AT&T
20 are aware of today, but also addresses future changes that have not yet surfaced.

21
22 **Q. DOES VERIZON VA HAVE ANY MORE SPECIFIC CONCERNS ABOUT**
23 **AT&T'S PROPOSAL IN § 5.8.4 THAT VERIZON VA PROVIDE AT&T**

1 **WITH “VALID LISTS AND ONGOING UPDATES” OF ALL CICS AND**
2 **“ASSOCIATED BILLING INFORMATION” FOR EACH VERIZON VA**
3 **TANDEM?**

4 A. Yes. In § 5.8.4, AT&T wants to contractually obligate Verizon VA to provide
5 “valid” CIC lists in accordance with industry guidelines. This paragraph is
6 duplicative of § 5.8.3, which already refers the Parties’ to industry guidelines.
7 This duplicity could lead to long-term inconsistency with industry practices
8 established at the OBF.

9
10 It also introduces ambiguity regarding what is a “valid” CIC list and attempts to
11 shift responsibility to Verizon VA for whether a CIC list is “valid.” Moreover,
12 “associated billing information” is vague and undefined. In other states, AT&T
13 has suggested that “associated billing information” includes a billing name and
14 address for each individual CLEC that AT&T should bill. There is no basis for
15 shifting this burden to Verizon VA as a matter of contract, and even less basis to
16 make it an “ongoing obligation” of Verizon VA to keep current. Verizon VA
17 cannot be forced through this interconnection agreement into performing AT&T’s
18 own administrative functions associated with appropriate billing, especially where
19 the information AT&T seeks from Verizon VA is equally available to AT&T.

20
21 **Q. DOES VERIZON VA HAVE ANY MORE SPECIFIC CONCERNS ABOUT**
22 **AT&T’S PROPOSAL IN § 5.8.5 THAT EACH PARTY PROVIDE THE**

1 **OTHER WITH A CIC ON EACH EMI RECORD TRANSMITTED TO**
2 **THE OTHER PARTY?**

3 A. Yes. AT&T's proposal to put a CIC on each EMI record transmitted is already
4 outdated and is not appropriate for inclusion in the parties' interconnection
5 agreement. CICs are assigned by the North American Numbering Plan
6 Administration ("NANPA") only to IXCs. If a carrier does not qualify as an IXC,
7 it will not be assigned a CIC. Even when an IXC owns a switch to which a CIC
8 has been assigned, it may not be applicable to identify a local exchange switch.
9 The issue of identification of switches lacking a CIC was addressed temporarily
10 through the practice of assigning pseudo-CICs. Moreover, the industry
11 recognized that every local carrier was assigned an Operating Company Number
12 ("OCN"), which provided an appropriate way to identify to which company a
13 switch belongs. Because the EMI already contains a field for an OCN, as
14 reflected in OBF Issue Nos. 1921 and 2139, the industry has (i) recognized that it
15 is appropriate to populate the "OCN" rather than the "CIC" field in circumstances
16 involving a carrier not assigned a CIC and (ii) rejected the practice of using
17 pseudo-CICs.

18
19 **Q. DOES VERIZON VA HAVE ANY MORE SPECIFIC CONCERNS ABOUT**
20 **AT&T'S PROPOSAL IN §§ 5.8.6 AND 5.8.7 THAT EACH PARTY ASSIST**
21 **A LOCAL EXCHANGE CARRIER, CLEC, OR IXC IN OBTAINING A**
22 **CIC?**

1 A. AT&T proposes contract language that would thrust an administrative
2 responsibility on Verizon VA that is not in Verizon VA's control. Specifically,
3 § 5.8.6 obligates Verizon VA to assist third party carriers in obtaining billing
4 identification (i.e., CICs) so that AT&T may bill them for usage. Even if it could,
5 Verizon VA is not responsible, under the Act or any other Commission order, for
6 shepherding other CLECs into the local exchange and exchange access business.
7 The CIC a carrier needs for billing identification is assigned by the NANPA, not
8 Verizon VA. The process for obtaining a CIC from NANPA is publicly available
9 on NANPA's web site. Verizon VA should not be contractually responsible for
10 ensuring the assignment of billing identification when it has no control or
11 responsibility over this process. AT&T's offer of making this provision
12 reciprocal in § 5.8.7 does not make this provision more logical. It does not make
13 sense for AT&T to perform this function any more than Verizon VA.

14
15 **Q. DOES VERIZON VA HAVE ANY MORE SPECIFIC CONCERNS ABOUT**
16 **AT&T'S PROPOSAL IN §§ 5.8.6 AND 5.8.7 THAT EACH PARTY**
17 **PROVIDE A PSEUDO-CIC FOR A PARTY THAT HAS NOT YET**
18 **OBTAINED A CIC?**

19 A. Yes. Currently three types of carrier billing identifiers bear discussion here - (1)
20 CICs, (2) OCNs, and (3) pseudo-CICs. AT&T's language limits the discussion to
21 CICs and pseudo-CICs, and ignores OCNs when it describes each Party's billing
22 obligations in more detail. As mentioned above, and as reflected in OBF Issue
23 Nos. 1921 and 2139, the industry has (i) recognized that it is appropriate to

1 populate the "OCN" rather than the "CIC" field in circumstances involving a
2 carrier not assigned a CIC and (ii) rejected the practice of using pseudo-CICs.
3 AT&T's proposed language contravenes the methods Verizon VA and the
4 telecommunications industry have established for identifying third party carriers
5 on the billing records that Verizon VA sends to AT&T. Ironically, MediaOne, a
6 subsidiary of AT&T and a party to this arbitration and eventual interconnection
7 agreement with Verizon VA, championed the OBF solution to replace pseudo-
8 CICs with OCNs. AT&T -- including MediaOne -- now wants to ignore the very
9 billing identification information MediaOne requested at the OBF.

10
11 **Q. DOES VERIZON VA HAVE ANY MORE SPECIFIC CONCERNS ABOUT**
12 **AT&T'S PROPOSAL IN §§ 5.8.6 AND 5.8.7 THAT EACH PARTY MUST**
13 **OBTAIN REIMBURSEMENT FROM THE LOCAL EXCHANGE**
14 **CARRIER, CLEC, OR IXC FOR THE RESPECTIVE CHARGES FROM**
15 **THE APPROPRIATE CARRIER?**

16 **A.** Whether CICs, pseudo-CICs, or OCNs, Verizon VA will provide the best
17 information it has to identify other carriers in conformance with industry
18 standards. There is no basis for shifting to Verizon VA AT&T's risk of, and
19 administrative costs associated with, AT&T's own billing, especially when some
20 carriers have not obtained proper billing identification or the industry has not
21 arrived at a uniform solution. AT&T is responsible for establishing contractual
22 and business relations with third parties who deliver calls to AT&T's customers.
23 Nothing in the Act countenances the remedy proposed by AT&T.

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AT&T's offer of making this provision reciprocal in § 5.8.7 again fails to make the provision more logical. It does not make sense for AT&T to perform this function any more than Verizon VA.

Q. DOES VERIZON VA HAVE ANY MORE SPECIFIC CONCERNS ABOUT AT&T'S PROPOSAL IN § 6.3.7 THAT A PARTY THAT DOES NOT INITIALLY RECORD SUFFICIENT BILL DETAIL FOR ANY IXC TO ASSIST THE OTHER PARTY IN RESOLVING THE BILLING MATTER BY PROVIDING AS MUCH BILLING DETAIL AS IS AVAILABLE TO THE OTHER, AND BY PARTICIPATING IN ANY STUDIES OR DISCUSSIONS REQUIRED TO OBTAIN SUPPORTING DETAIL?

A. Yes. AT&T's proposed language is overly broad and not appropriate for an interconnection agreement. As an initial matter, AT&T's proposed language incorporates the concept of the failure to "initially record sufficient bill detail for any IXC traffic." Verizon VA is unaware of subsequent recordings or another methodology to capture call detail if there is an "initial" failure. Further, AT&T fails to clarify how to judge whether detail recorded is "sufficient." That is the reason Verizon VA defers to industry guidelines as a uniform source of what the industry deems "sufficient."

As stated above, Verizon VA agrees that it will provide to AT&T billing records in accordance with industry standards. To the extent AT&T does not have the

1 information that it needs, Verizon VA may voluntarily assist AT&T as a courtesy.
2 In fact, Verizon VA has aided AT&T in the past on an informal basis when
3 AT&T has encountered difficulty in obtaining CICs. It is *AT&T's responsibility*,
4 however, to develop those relationships with other carriers and obtain the
5 necessary billing information. There is nothing under the Act or prior
6 Commission precedent that would warrant elevating this business courtesy to a
7 contractual obligation.
8

9 **Q. WHY DOES AT&T PROPOSE DETAIL BEYOND INCORPORATION OF**
10 **INDUSTRY STANDARDS?**

11 A. AT&T claims that it needs additional detail to address its concerns regarding (i)
12 enforceable billing requirements, and (ii) Verizon VA's ability to "unilaterally
13 impose" new requirements or system upgrades.
14

15 **Q. IS AT&T'S CONCERN REGARDING ENFORCEABLE BILLING**
16 **REQUIREMENTS JUSTIFIED?**

17 A. No. AT&T's complaint regarding "guidelines" versus a contractual commitment
18 makes little sense when Verizon VA has contractually committed to follow the
19 guidelines and is subject to performance plans that will provide it the incentive to
20 abide by the industry practice. It makes even less sense in light of the fact that
21 Verizon VA is the proponent of deference to a uniform industry process. If
22 Verizon VA wanted to reserve to itself the right to ignore the industry guidelines,
23 it certainly would not be able to insist on industry solutions.

1

2 **Q. DOES VERIZON VA ESTABLISH ITS BILLING GUIDELINES IN**
3 **ACCORDANCE WITH THE OBF?**

4 A. Yes. Verizon VA processes and formats the call detail records in its Daily Usage
5 files ("DUFs") according to the guidelines established by the OBF. If the
6 guidelines change, Verizon VA amends its procedures in accordance with the
7 OBF. Verizon VA provides representatives to the appropriate committees of the
8 OBF to ensure that it is knowledgeable about current issues and guidelines. In
9 addition, Verizon VA will not ignore OBF guidelines to suit a particular
10 customer. Verizon VA will also work cooperatively with any carrier to resolve
11 differences in billing records by examining the OBF guidelines or by taking the
12 matter up with the OBF for issue resolution.

13

14 **Q. IS AT&T'S CONCERN REGARDING UNILATERAL CHANGES BY**
15 **VERIZON VA JUSTIFIED?**

16 A. No. As explained, like Verizon VA, AT&T has the opportunity to participate in
17 the OBF to recommend new processes or procedures or resolve problems.
18 Because Verizon VA agrees to the industry solutions that arise from the OBF,
19 AT&T's concern about "unilateral" changes is not justified.

20

21 **Q DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A. Yes, it does.

23

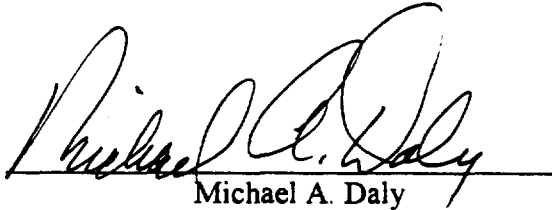
24

25

Declaration of Michael A. Daly

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

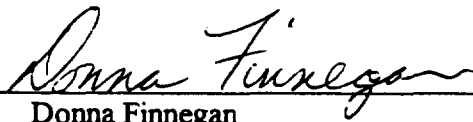
Executed this 30th day of July, 2001.


Michael A. Daly

Declaration of Donna Finnegan

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 30th day of July, 2001.



Donna Finnegan

Declaration of Steven J. Pitterle

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

Executed this 30th day of July, 2001.

A handwritten signature in cursive script, appearing to read "Samuel M. Jones", is written over a horizontal line.

Samuel M. Jones
On Behalf Of
Steven J. Pitterle

Exhibit PTC-1

CURRICULA VITAE FOR PRICING TERMS AND CONDITIONS PANELISTS

I. MICHAEL A. DALY

Mr. Daly earned his Bachelor of Science in Marketing from the University of Maryland in 1977. In 1994, he received his Executive Masters of Science in Engineering, Technology Management from the University of Pennsylvania. Mr. Daly has over 22 years of telecommunications experience with Verizon and the former Bell Atlantic. He began his carrier with Bell Atlantic in 1979 in various sales and marketing assignments. In his tenure with Verizon, Mr. Daly has held an assortment of positions with increasing levels of responsibility, including Account Manager for a major IXC customer, Product Manager for Special Access Products, Director of Resale Services and Director of Negotiations and Interconnection Policy. In 2000, Mr. Daly assumed his current position as Director of Negotiations for the Verizon Wholesale Markets Group. In his current position, Mr. Daly oversees negotiation teams for Interconnection, UNEs and Resale as mandated by the Act and leads a negotiations team in all aspects of negotiations with AT&T across the Verizon footprint.

II. DONNA FINNEGAN

Ms. Finnegan received her Bachelor of Arts in English from Seton Hall University in 1988. In 1996, she earned her Masters in Project Management from George Washington University. Ms. Finnegan has over 30 years experience in the telecommunications industry with a strong emphasis on information systems and billing procedures. In 1971, she began her career with the former Bell Atlantic as an associate in the Revenue Accounting Office. During her career at Verizon, Ms. Finnegan has held a number of positions including Supervisor of the

Revenue Accounting Office, Assistant Manager of Information Systems and Billing Support, and Product Manager for Carrier Billing Services. Currently, Ms. Finnegan is Senior Specialist for Wholesale Services. As Senior Specialist, she is responsible for the Daily Usage files for Resale and UNE services. She also acts as Verizon's representative on the Alliance of Telecommunications Industry Solutions (ATIS) Exchange Message Interface industry committees. Ms. Finnegan plays a key role in resolving customer questions and issues as well as legal, regulatory and audit inquiries.

III. STEVEN J. PITTERLE

Mr. Pitterle earned his Bachelor of Science Degree in Mathematics in 1970 from the University of Wisconsin at Madison. He has over 31 years experience in the Telecommunications Industry beginning in 1970 with General Telephone Company as an Engineering Assistant in the Outside Plant Engineering Department. From 1970 through 1979, Mr. Pitterle held several positions in the Engineering Department until he transferred to the Service Department. In 1980, Mr. Pitterle joined the Regulatory Affairs Department in Wisconsin as Tariff Administrator and later became Manager of Regulatory Affairs. Over the course of his tenure with the former Verizon entities, Mr. Pitterle has held a variety of positions with increasing levels of responsibility including Compensation Coordinator for intraLATA compensation, Interexchange Account Manager for the former GTE North and State Director-External Affairs in Wisconsin. In June 1977, Mr. Pitterle transferred to Irving, Texas where he now serves as Negotiations Director.